

CHAPTER 25**GIFTS AND DONATIONS****2501 GENERAL**

250101. Gifts and donations are the nonreciprocal transfer of assets. The transfer can occur with State, local, or foreign governments, individuals, or others not considered a related party to the Federal government.

250102. The Defense Finance and Accounting Service (DFAS) Center for Sustaining Forces - Indianapolis is authorized to invest funds which have been received and accepted by the Secretary of the Army (SA) as gifts or donations to Army activities.

250103. The investment of gifts or donations is the value of U.S. Securities purchased from the Treasury.

2502 RESPONSIBILITIES

250201. The SA is the approval authority for the acceptance of gifts and donations to Army activities.

250202. The U.S. Total Army Personnel Command (TAPC) receives all offers of gifts/donations (any checks that are part of the offer) from Army activities for processing to the SA for the formal approval and acceptance of gifts/donations. TAPC forwards checks they receive to DFAS Center for Sustaining Forces - Indianapolis for recording in the budget clearing account 21F3875.0111 until the SA formally approves and accepts the gifts or donations.

250203. DFAS Center for Sustaining Forces - Indianapolis authorized to purchase securities from the Treasury for investment of accepted gifts or donations received by Army activities.

250204. DFAS Center for Sustaining Forces - Indianapolis, based upon the fund manager's request, will allocate funds via Program and Budget Accounting System (PBAS) to the Major Army Command (MACOM) or operating agency (OA) responsible for the organization designated as the recipient of the formally approved and accepted gift/donation.

250205. The Treasury will notify the Army gift fund custodian DFAS Center for Sustaining Forces - Indianapolis of any increases or decreases to the Army's investment portfolios using TFS 1081-1 (Investment Authorization).

250206. DFAS Center for Sustaining Forces - Indianapolis will receive and account for all funds that are formally accepted gifts/donations by the SA.

250207. Operating Locations (OPLOCs) and Finance and Accounting Offices (FAOs) will ensure that all revenues from securities are properly recorded in the appropriate period. This includes gains or losses.

2503 PROCEDURES

When an installation commander receives an offer of a gift/donation he/she will perform the procedures listed below.

250301. Advise prospective donor that the SA must formally approve acceptance of gifts/donations.

250302. Obtain a written offer of the gift/donation signed by the donor or in the case of a devise or bequest, a copy of the will is required.

250303. Send the written offer and full details of the conditions upon which the offer is made (to include expenses involved, if any), and his/her recommendation through the MACOM for their review and recommendation to: Commander, U.S. Total Army Personnel Command, ATTN: TAPC-PDO-IP, Alexandria, VA 22332-0474, where the offer will be processed for formal acceptance.

250304. Refer to AR 1-100, Gifts and Donations; AR 1-101, Gifts for Distribution to Individuals and 10 U.S.C. 2601 and 2608, General Gift Funds, for additional details.

2504 FEDERAL SECURITIES (at Par)

250401. DFAS Center for Sustaining Forces - Indianapolis uses "Federal Securities (at Par)" to record the par value of U.S. Securities being held by Army activities.

250402. DFAS Center for Sustaining Forces - Indianapolis maintains an investment subsidiary ledger, and other applicable information for each investment, that provides:

- A. Name.
- B. Type.
- C. Amount.
- D. Acquisition date.
- E. Acquisition cost.
- F. Yield or interest rate.

G. Discount or premium.

H. Maturity date.

250403. A comparison of principal proceeds and the book value of a U.S. Security at the time of disposition will determine whether there is a gain or loss on disposition. If there is any remaining unamortized premium or discount, remove it from the account.

250404. Unless otherwise provided for by the provisions governing a trust fund operation, securities held by trust funds are U.S. Securities.

250405. The income derived from these securities, other than Treasury bills, will be the interest stated on the face of the securities. For Treasury bills, the income is the difference between the price paid and the price received at the time of sale or maturity.

2505 ACCOUNTING FOR THE ARMY GENERAL FUND ACCOUNT

250501. DFAS Center for Sustaining Forces - Indianapolis records all checks received as gifts/donations from the TAPC by Army activities in the budget clearing account 21F3875.0111 pending the formal acceptance and approval of the SA. Once approved, DFAS Center for Sustaining Forces - Indianapolis will coordinate within the center the establishment of a new gift fund account and maintain receipt accounts for the Army general gift fund to account for deposits and receipt of interest earned into the account. The appropriation limit/sub-head identifies the type of deposit and the recipient of the donation/gift (See DFAS-IN Manual 37-100-FY).

250502. Trust fund expenditure accounts are established to record amounts appropriated from trust fund receipts to be expended in carrying out specific purposes or programs according to the terms of a trust agreement or statute. Trust fund receipt accounts are credited with receipts generated by the terms of a trust agreement or statute. Statutory requirements will determine whether receipts (collections) are to be immediately available or unavailable for expenditure.

250503. DFAS Center for Sustaining Forces - Indianapolis, in coordination with gift fund managers, will invest account balances in Treasury bills, notes, or bonds. Investments will cite Army general gift fund account 21X8927.0088. Redemption of these investments will cite Army general gift fund account 21X8927.0098. Accrued interest, premiums, or discounts will be applied to the appropriate gift fund (See DFAS IN Manual 37-100-FY.)

250503. U. S. Army Finance Command (USAFINCOM), Budget Analysis Office loads the values into the fund control module of PBAS for each appropriation, limit, sub-head as follows:

A. Initial receipt of a donation/gift will increase cash at appropriation level and budget authority at appropriation limit/sub-head level.

B. Discounts received at the time of security purchase will increase cash at appropriation level. Make a corresponding increase in budget authority at appropriation limit/sub-head level.

C. Investment in Federal securities will decrease budget authority for the applicable gift fund. Increase budget authority for general fund gift account 21X8927.0088.

D. Accrued interest and premiums paid at the time of the investment will decrease cash at the appropriation level. Decrease budget authority at the appropriation limit/sub-head level.

E. Redemption will decrease budget authority in general fund gift account 21X8927.0098. Increase budget authority in the applicable gift fund limit/sub-head.

F. Reservation of budget authority is made in accordance with the statutory restrictions placed on the gift at the time of receipt.

G. Interest received will increase cash at the appropriation level. Increase budget authority at the appropriation limit/sub-head level.

H. Return of excess cash on hand balances to the fund manager by DFAS Center for Sustaining Forces - Indianapolis will decrease cash at the appropriation level. Decrease budget authority at the appropriation limit/sub-head level.